

SDRS Makes Video Available to All Members

A video that has been used successfully by SDRS field representatives for the last two years will be distributed to authorized agents who will make it available to SDRS members for home viewing.

The video uses an on-screen narrator, powerful graphics and clear explanations to introduce the basic concepts of the system.

What the Video Includes

The video is 12 minutes in length and contains an explanation of:


- ▶ The amount of money an SDRS member will require during retirement
- ▶ How member and employer contributions pay for benefits
- ▶ The significance of investment earnings in funding benefit improvements
- ▶ SDRS's disability and survivor benefits

- ▶ SDRS's deferred compensation plan—the Supplemental Retirement Plan (SRP)
- ▶ SDRS's Portable Retirement Plan (PRO)

Direct and to the point, the video's entertaining format provides a lively introduction that is consistent with SDRS's printed source materials.

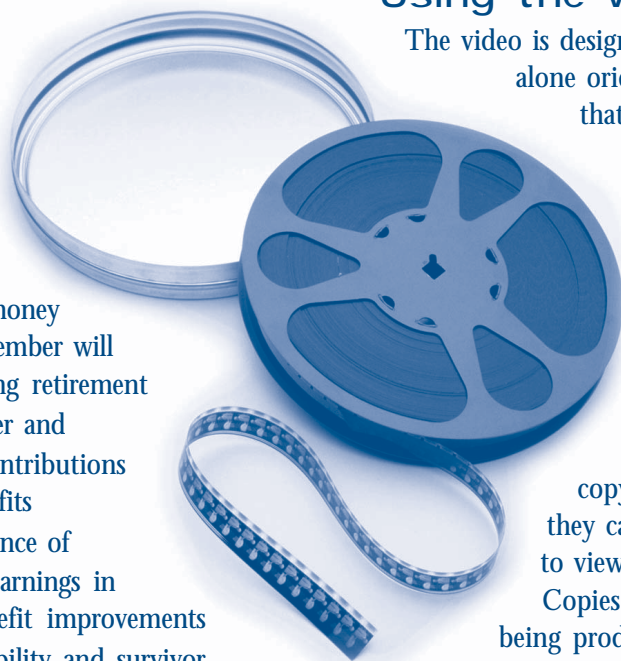
Using the Video

The video is designed as a stand-alone orientation to SDRS that you can use with a single employee or with a group. Regardless of the format used in the office, we encourage you to check out a copy to members so they can take it home to view.

Copies of the video are being produced and will be sent to you as soon as they are completed. If, after using the video, you find you can use additional copies, please call. 

Targeted specifically to introduce the basic concepts of the system

The video is designed as a stand-alone orientation to SDRS





The Answer Line



What steps should I take when I learn that a member of our unit or one of our retirees has died?



You should contact SDRS immediately, notifying us of the death and, if possible, the date of the funeral. Ordinarily SDRS will send Form B-3, Applying for Survivor Benefit, or Form B-5, Applying for Survivor Refund, to the appropriate survivor following the funeral. In some cases, however, family members may request that the application be sent immediately so that they may assist a surviving spouse in filling out the application before they return to their homes.



What happens if a member enters into an agreement to purchase credited service under the Tax-Efficient Purchase Plan, but terminates employment before the purchase is completed?



The purchase contract would end when the member leaves his or her job, and SDRS would prorate the amount of service credited based upon the payments already made. Since a large percentage of the initial payments is devoted to paying off

interest charges, the amount of service actually purchased in this situation may be less than expected.



Do new members have SDRS disability coverage as soon as they begin work or is there a waiting period?



Members who are accidentally disabled while performing the usual duties of their job are immediately eligible for benefits. In every other instance, members become eligible for disability benefits after three years of credited service.



If a member who is still working dies, do survivor benefits begin immediately?



Benefits can begin immediately, only if there are children under the age of 18 living in the home or the surviving spouse is age 65 or older.



A number of teachers in my unit receive extra-duty pay for coaching or supervising student activities. Should I include the extra-duty pay as SDRS compensation?



Yes. All teacher compensation, which includes payments for teaching, supervising, and overseeing student activities, must be reported as SDRS compensation.



When can members withdraw money they have contributed to the SRP.



Withdrawals from the SRP can occur when members leave SDRS, retire or die. In addition, with approval of the plan administrator, a contributing SDRS member can withdraw funds in the case of an unforeseeable emergency. However, "unforeseeable emergency" is narrowly defined as severe financial hardship from nonreimbursed medical expenses resulting from a sudden or unexpected injury of illness, or extreme loss of property due to casualty. Other kinds of financial hardship, such as divorce, would not qualify. [UpDate](#)



P. O. Box 1098
Pierre, South Dakota
57501

The Way It Works: Submitting Contribution Reports




50% of Employers Now Report by Diskette

Two hundred and thirty two municipalities, counties, school districts and state agencies are submitting their monthly contribution reports on diskette or tape. In the case of school districts, 90 percent take advantage of the option. If your unit is still reporting manually but generating its payroll on computer, there are a number of reasons you should make a change.

- ▶ You'll be able to run your reports directly from your payroll.
- ▶ You'll make fewer errors because you won't be making manual changes on hard copy.
- ▶ Your employees who have pending benefits—for example, refunds—will receive them sooner.
- ▶ You'll save a significant amount of time for your

staff and SDRS (manual reports other than the turnaround document require SDRS to hand-enter every digit of payroll information).

The Future

Currently, employers submit their diskettes by mail to the Remittance Center in Sioux Falls. However, SDRS is considering various methods of transferring the information electronically, such as File Transfer Protocol (FTP). Using FTP, unlike e-mail, is secure and has been successfully used in both the private and public sector. For units that currently use our turnaround document, (which is effective, but less so than a diskette) we are considering changing the document from a paper copy to a computer file. It may also be possible to take advantage of an FTP site in connection with the use of turnaround documents. 


Coming to Terms

Permanent, Full-time Employee:

An employee placed in a permanent classification who is employed for 20 or more hours per week and at least six months a year.

All employees of a participating employer who meet these three requirements must be members of SDRS.

Most misunderstandings that surround this definition, and its relation to SDRS membership, concern the issue of "permanent" classification. To be a member of SDRS, an employee must not only work the minimum time defined by law, but must also occupy a permanent position. Whether or not a position is "permanent," however, is decided by the participating employer and not by SDRS.

For instance, an employee in a temporary position works 40 hours per week and nine months a year. Despite the fact that the employee meets the minimum time requirements, he or she cannot be a member of SDRS because the employer considers the position temporary. 

Are Your Members Saving for Retirement?



Remember SDRS's Supplemental Retirement Plan

The SRP is one of the best investment tools available for SDRS members thinking about additional saving for retirement. The SRP offers:

- ▶ Tax-efficient investing
- ▶ Automatic payroll deduction of contributions
- ▶ New, lowered fee structure
- ▶ Low contribution rates (as little as \$25 per month)
- ▶ Variety of investment options

For more information, review the SRP brochure with your members or have them contact SRP at 1-800-959-4457.


Supplemental Retirement Plan (SRP) to Open Office in South Dakota

NDC's South Dakota office will be staffed by June Larson and located at 207 East Capitol, Pierre, South Dakota, 57501.

The Supplemental Retirement Plan (SRP) will open an office in Pierre shortly after July 1, according to National Deferred Compensation (NDC) who provides the SRP with record keeping, communications and marketing services. The board negotiated the opening of a local office, along with a reduction in fees, when the NDC contract was renewed.

NDC maintained an office in the state until 1996 when it was closed

as a cost-cutting measure. Since then the board has received numerous requests for the office to be reopened. Many members seeking information find the local office a useful addition to NDC's national toll-free number.

NDC's South Dakota office will be staffed by June Larson and located at 207 East Capitol, Pierre, South Dakota, 57501. The telephone number will be 224-2230. 

June contributions and reports have a July 15 deadline.

SDRS Reminders

June Contributions and Reports Have July 15 Deadline

Both contributions and the contribution report for June must be received by July 15. The recap report, disk, and contributions need to be sent to the Sioux Falls Remittance Center, P.O. Box 5055, Sioux Falls, SD 57117-5055.

June contribution payments received after July 15 will be delinquent. The Legislature has established a 5 percent penalty plus an interest charge of 15 percent a year for delinquent contributions.

A Reminder Regarding Contribution Rate Increase

Starting July 1, 2002, employers will pay 20 percent more in Class A contributions. Class A contributions for both employees and employers will increase from 5 percent to 6 percent of salary for a combined contribution rate of 12 percent. This increase was included in a law passed during the 2000 legislative session. Although the increased contribution rate will not begin for another year, employers need to begin their budgetary planning now to be ready for the higher contribution cost.



Web Note

For more information about the South Dakota Retirement System check out the Web:

www.state.sd.us/sdrs/